



# Factual Summary for 6A

## **0.79 percent sales tax to raise \$6.8 million annually for Eagle River Fire Protection District emergency services**

**The Eagle River Fire Protection District Board of Directors has placed a 0.79 percent sales tax on the November 2024 ballot.** If approved by voters, the sales tax would provide approximately \$6.8 million in additional funding for district services, including:

- ✓ Maintaining fire equipment to extend their useful life and replacing firefighting vehicles when necessary;
- ✓ Investing in up-to-date firefighter safety gear to protect our emergency personnel and ensure they are prepared to respond to any type of emergency;
- ✓ Upgrading wildland firefighting equipment;
- ✓ Providing adequate staffing to address increasing emergency call volume; and
- ✓ Improving and equipping current and future fire stations to maintain prompt response times.

### **Why did the Eagle River Fire Protection District place this question on the ballot?**

- Eagle River Fire Protection District has experienced a 24 percent increase in service calls since 2019 as the district's population and visitation has increased.
- Eagle River Fire Protection District is facing additional challenges brought on by an aging population, increasing wildfire risk and budget challenges created by inflation.
- Eagle River Fire Protection District needs additional funding to maintain service levels and keep firefighters equipped and prepared and to properly respond to emergency calls.

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### **Why is the Eagle River Fire Protection District asking for a sales tax?**

- Currently, the Eagle River Fire Protection District receives most of its funding through property tax. Given recent increases in assessment rates, the district does not want to consider increasing property taxes on homeowners and businesses in our community.
  - Eagle River Fire Protection District reduced its mill levy rate this year to 6.618 from 9.32 in 2023 to account for the recent large increases in assessment rates for residential and commercial properties in Eagle County.
- Funding through a sales tax would ensure tourists and visitors pay for fire and emergency services.
  - Estimates show that about 50 percent of sales tax in Eagle County is paid by tourists and visitors. That number is likely larger within the Eagle River Fire Protection District boundaries.
- Eagle River Fire Protection District's sales tax would not be added to groceries and prescriptions.

### **What happens if the sales tax is not approved by voters?**

- Without new revenue, Eagle River Fire Protection District would transition into a “diminish and suspend” strategy for its operations, including:
  - Diminishing reducing engine company staffing, including periodic station closures with delayed intervention in fires and other emergencies, and
  - Suspending firefighting equipment and fire engine replacement even if required by age and condition.
- Eagle River Fire Protection District may also need to utilize its emergency reserves starting in 2026 for general operations.
  - Emergency reserve is intended to help pay for responses to major disasters like wildfires or floods and help Eagle River Fire Protection District continue operations during significant economic downturns (such as what happened in 2009).
  - Current budget projections set the emergency reserve amount at approximately \$3.9 million, but because of increasing operating costs, these same projections also show the emergency reserve dropping below \$1 million by 2029, with no

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- ability to replenish it.
- Using emergency reserves for general operations would not allow proper engine company staffing or replace firefighting equipment and fire engines when required.

**What is the tax impact of 6A?**

- 6A would increase sales taxes only within the district’s boundaries, including the towns of Avon, Minturn and Red Cliff; and the Edwards and Eagle-Vail areas.
- Sales tax would add an additional 79 cents to a \$100 purchase.
- Sales tax would not be applied to groceries or prescriptions.

| <b>Community</b>  | <b>Current Sales Tax Rate</b> | <b>Sales Tax with Eagle River Fire Protection District’s 6A</b> |
|-------------------|-------------------------------|---|
| <b>Avon</b>       | 8.90%                         | 9.69%   |
| <b>Eagle-Vail</b> | 5.40%                         | 6.19%   |
| <b>Edwards</b>    | 5.90%                         | 6.69%   |
| <b>Minturn</b>    | 8.90%                         | 9.69%   |
| <b>Red Cliff</b>  | 7.90%                         | 8.69%   |

**Arguments for 6A:**

- Funding Eagle River Fire Protection District with a sales tax will ensure that visitors and tourists help pay for the fire and emergency services that they use when visiting our communities.
- Asking for a sales tax recognizes recent increases in assessments and property taxes, allowing the district to address its funding while not impact property tax rates for local residents and businesses.
- Providing additional revenue will ensure that the district can meet its personnel and capital costs to maintain and improve emergency service coverage and response times.

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## **Arguments against 6A:**

- With recent increases in property taxes, now is not the right time to increase any taxes, even if visitors might pay a portion of a sales tax.
- Like many in this community, the fire district should reduce its budget to address funding needs.
- There are more important priorities for tax dollars in the county, including schools, housing and roads. The district should provide services using existing resources.

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## **EAGLE RIVER FIRE PROTECTION DISTRICT BALLOT QUESTION 6A**

SHALL EAGLE RIVER FIRE PROTECTION DISTRICT SALES TAXES BE INCREASED \$6.8 MILLION IN THE FIRST FULL FISCAL YEAR AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER BY THE IMPOSITION OF A SALES TAX BEGINNING JULY 1, 2025 NOT TO EXCEED 0.79% (79 CENTS ON EACH \$100 DOLLARS IN TAXABLE PURCHASE), UPON EVERY TRANSACTION IN THE DISTRICT UPON WHICH THE STATE IMPOSES A SALES TAX, EXCLUDING GROCERIES AND OTHER EXEMPT ITEMS, FOR THE PURPOSES OF:

- MAINTAINING FIRE EQUIPMENT TO EXTEND THEIR USEFUL LIFE AND REPLACING FIREFIGHTING VEHICLES WHEN NECESSARY
- INVESTING IN UP-TO-DATE FIREFIGHTER SAFETY GEAR TO PROTECT OUR EMERGENCY PERSONNEL AND ENSURE THEY ARE PREPARED TO RESPOND TO ANY TYPE OF EMERGENCY
- UPGRADING WILDLAND FIREFIGHTING EQUIPMENT
- PROVIDING ADEQUATE STAFFING TO ADDRESS INCREASING EMERGENCY CALL VOLUME
- IMPROVING AND EQUIPPING CURRENT AND FUTURE FIRE STATIONS TO MAINTAIN PROMPT RESPONSE TIMES

SUCH SALES TAX REVENUES AND THE EARNINGS FROM THE INVESTMENT OF SUCH REVENUES TO BE COLLECTED, RETAINED AND SPENT AS A VOTER APPROVED REVENUE CHANGE WITHOUT CONTRACTUAL, STATUTORY OR CONSTITUTIONAL LIMITATION OR CONDITION, INCLUDING LOCAL INTERGOVERNMENTAL AGREEMENTS, ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

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